

State of Utah

Department of Natural Resources

MICHAEL R. STYLER Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA Division Director JON M. HUNTSMAN, JR. Governor

GARY R. HERBERT Lieutenant Governor

Representatives Present During the Inspection:						
Company	Jay Marshall Resident Agent					
OGM	Pete Hess Environmental Scientist III					

Inspection Report

Permit Number:	C0070013
Inspection Type:	PARTIAL
Inspection Date:	Thursday, April 09, 2009
Start Date/Time:	4/9/2009 12:47:00 PM
End Date/Time:	4/9/2009 3:00:00 PM
Last Inspection:	Thursday, April 02, 2009

Inspector: Pete Hess, Environmental Scientist III Weather: Overcast, warm; 50's F. Rain in forecast.

InspectionID Report Number: 1969

Accepted by: jhelfric 5/5/2009

Permitee: UTAHAMERICAN ENERGY INC Operator: UTAHAMERICAN ENERGY INC

Site: HORSE CANYON MINE

Address: PO BOX 986, PRICE UT 84501

County: CARBON

Permit Type: PERMANENT COAL PROGRAM

Permit Status: ACTIVE

Current Acreages

Total Permitted	5,992.07
Total Disturbed	99.56
Phase I	61.65
Phase II	
Phase III	

Mineral Ownership

Types of Operations ✓ Federal ✓ Underground Surface State County Loadout Fee Processing Other Reprocessing

Report summary and status for pending enforcement actions, permit conditions, Division Orders, and amendments:

The following construction activities are occurring at the site;

- 1) the sewage leach field is being constructed on the office pad / parking lot area.
- 2) the 60 inch undisturbed bypass culbvert is being installed through the #1 sediment pond.
- 3) The #2 pond has been excavated.
- 4) Development of the three Mine portals is ongoing.

The Permittee will submit a response to the Phase III bond release deficiencies (permit area "A") on april 13, 2009.

The Annual report for 2008 for C/007/013 is nearing completion.

Inspector's Signature:

Date

Monday, April 13, 2009

Pete Hess, Environmental Scientist III

Inspector ID Number: 46

Note: This inspection report does not constitute an affidavit of compliance with the regulatory program of the Division of Oil, Gas and Mining.

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801 telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov Permit Number: C0070013 Inspection Type: PARTIAL

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REVIEW OF PERMIT, PERFORMANCE STANDARDS PERMIT CONDITION REQUIREMENTS

- 1. Substantiate the elements on this inspection by checking the appropriate performance standard.
 - a. For COMPLETE inspections provide narrative justification for any elements not fully inspected unless element is not appropriate to the site, in which case check Not Applicable.
 - b. For PARTIAL inspections check only the elements evaluated.
- 2. Document any noncompliance situation by reference the NOV issued at the appropriate performance standard listed below.
- 3. Reference any narratives written in conjunction with this inspection at the appropriate performace standard listed below.
- 4. Provide a brief status report for all pending enforcement actions, permit conditions, Divison Orders, and amendments.

		Evaluated	Not Applicable	Comment	Enforcement
1.	Permits, Change, Transfer, Renewal, Sale	\checkmark		\checkmark	
2.	Signs and Markers	✓			
3.	Topsoil				
4.a	Hydrologic Balance: Diversions	✓		✓	
4.b	Hydrologic Balance: Sediment Ponds and Impoundments	✓		✓	
4.c	Hydrologic Balance: Other Sediment Control Measures	✓		✓	
4.d	Hydrologic Balance: Water Monitoring	✓		✓	
4.e	Hydrologic Balance: Effluent Limitations				
5.	Explosives				
6.	Disposal of Excess Spoil, Fills, Benches		✓		
7.	Coal Mine Waste, Refuse Piles, Impoundments				
8.	Noncoal Waste	✓			
9.	Protection of Fish, Wildlife and Related Environmental Issues	✓		✓	
10.	Slides and Other Damage		✓		
11.	Contemporaneous Reclamation				
12.	Backfilling And Grading				
13.	Revegetation	V			
14.	Subsidence Control				
15.	Cessation of Operations		✓		
16.8	a Roads: Construction, Maintenance, Surfacing	✓			
16.k	Roads: Drainage Controls	✓			
17.	Other Transportation Facilities				
18.	Support Facilities, Utility Installations	✓		✓	
19.	AVS Check				
20.	Air Quality Permit				
21.	Bonding and Insurance				
22.	Other		П		

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1. Permits, Change, Transfer, Renewal, Sale

The Permittee intends to re-submit the "Detailed Design Changes" application (Task ID #3017 deficiency response) in the near future. The Division returned the # 3017 application to the Permittee on January 26, 2009.

4.a Hydrologic Balance: Diversions

As of today's inspection, Scamp Excavation had installed approximately 120 feet of the 60 inch undisturbed bypass culvert in the bottom of pond #1. The two T's for the primary spillway and emergency spillway were being installed at the time of observation. The shale material from the excavated trench has been placed on the coal stockpile pad for burial.

4.b Hydrologic Balance: Sediment Ponds and Impoundments

The excavation for pond #2 has been completed; surveyors were confirming the adequacy of the incised storage volume at the close of today's inspection.

4.c Hydrologic Balance: Other Sediment Control Measures

EarthFax Engineering has not finalized the design for the water bar / drop inlet / culvert into the west bank of pond #2. This treatment mechanism will greatly reduce the volume of runoff which will require treatment via an ASCA (area adjacent to Lila Creek at the Mine road / Emery County road #126 junction).

4.d Hydrologic Balance: Water Monitoring

According to Mr. Marshall, the Lila site received three inches of snow on Friday, April 3. There was no evidence of that event remaining at the site this day.

9. Protection of Fish, Wildlife and Related Environmental Issues

Mr. Marshall informed the Division this day that a herd of bighorn sheep had utilized the main fork of Lila Canyon for Little Park access recently (3/31/2009?) No birds were observed in flight over the Mine site this day.

18. Support Facilities, Utility Installations

As is noted above, construction of the facilities leach field is happening at this time.